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Attorneys for *Qui Tam* Relator/Plaintiff

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

UNITED STATES OF AMERICA EX  
*REL.* MARIA VALLADARES  
KADZIELAWA, STATE OF HAWAII  
EX *REL.* MARIA VALLADARES  
KADZIELAWA, STATE OF  
CALIFORNIA EX *REL.* MARIA  
VALLADARES KADZIELAWA,  
COMMONWEALTH OF VIRGINIA  
EX *REL.* MARIA VALLADARES  
KADZIELAWA, DISTRICT OF  
COLUMBIA EX *REL.* MARIA  
VALLADARES KADZIELAWA,

Relator/Plaintiff,

VS.

CIVIL No. 03-00631 DAE LEK  
(Other Civil Action/*Qui Tam*)

REPORT OF THE MEETING OF  
THE PARTIES PURSUANT TO  
FEDERAL RULES OF CIVIL  
PROCEDURE RULE 26 (f) AND  
LOCAL RULE 26.1; CERTIFICATE  
OF SERVICE

TRIAL: No Date Set.

KAISER FOUNDATION  
HOSPITALS and KAISER  
FOUNDATION HEALTH PLAN,  
INC.,

Defendants.

REPORT OF THE MEETING OF THE PARTIES PURSUANT  
TO FEDERAL RULES OF CIVIL PROCEDURE, RULE 26 (f) AND LOCAL  
RULE 26.1

Plaintiffs above-named, hereby submit the following report in accordance with Federal Rules of Civil Procedure (FRCP) 26(f) and Local Rule (LR) 26.1.

**I. MEETING OF THE PARTIES**

Pursuant to FRCP 26(f) and LR 26.1, the parties held a telephonic meeting on March 30, 2007 and was attended by:

Thomas R. Grande of Davis Levin Livingston Grande for Plaintiff.

Jon P. Neustadter of Hooper, Lundy & Bookman, Inc, a California law firm, for Defendants.

Although defense counsel has not officially entered an appearance on behalf of Defendants, counsel did confirm his representation of Defendants and has agreed to personally or through local co-counsel accept service of the First Amended Complaint on behalf of Defendants. While Mr. Neustadter is not a

member of the Hawaii bar, he plans to either secure admission *pro hac vice* or serve as co-counsel.

**II. PRE-DISCOVERY DISCLOSURES.**

The parties will exchange by a time to be set by the Court the information required by FRCP 26(a)(1).

**III. DISCOVERY PLAN.**

The parties jointly propose the following discovery plan:

1. Discovery will be needed on the following subsections: A) violations of 31 U.S.C. 3729 et seq. ("Federal False Claims Act") by Defendants in the provision of physical therapy services under the federal Medicare HMO program, B) violations of Ca. Gov't. Code 12650 et seq. ("California False Claims Act") by Defendants in the provision of physical therapy services under the California Medicaid Fee-for-Service and HMO programs and C) violations of Hawaii Revised Statutes 661-21 et seq. ("Hawaii False Claims Act") by Defendants in the provision of physical therapy services under the Hawaii Medicaid Fee-for-Service and HMO programs; B) damages and penalties as a result of Defendants' violation of the above statutes; C) each defense raised by Defendants and d) such other matters as may be determined at a future time.

2. All discovery shall be completed by a date to be set by the Court at the scheduling conference.

3. No limit on the number of requests for admissions by each party to any other party.

4. The Court's limit on the number of interrogatories by Plaintiff and Defendants.

5. The Court's limit on the number of depositions by Plaintiff and Defendants.

6. The Court's limit on the length of depositions by Plaintiff and Defendants.

7. Reports from retained experts under FRCP 26(a)(2) will be due at times to be set by the Court at the Scheduling Conference.

8. Supplementation under FRCP 26(e) will be due at times to be set by the Court at the Scheduling Conference.

#### IV. OTHER ITEMS:

1. The parties agree that the Court should set the time in which they may be permitted to join additional parties and to amend the pleadings.

2. All dispositive motions should be filed by a time to be set at the Scheduling Conference, or by 90 days prior to the trial date.

3. Final lists of witnesses and exhibits under FRCP 26(a)(3) should be due at a time to be set by the Court at the Scheduling Conference.

4. Parties should have 14 days after service of final lists of witnesses and exhibits to list objections under Rule 23(a)(3).

5. The case should be ready for trial within 12 months and is expected to take approximately 10 trial days in length.

V. SETTLEMENT

The United States previously intervened and settled the portion of the case relating to: (1) Federal Fee for Service claims and (2) the Federal portion of Medicaid Fee for Service claims. The parties have engaged in settlement discussions regarding the remaining claims and will continue to attempt to resolve these claims. The parties are prepared to consider this matter further and discuss options at the Scheduling Conference.

Dated: Honolulu, Hawai‘i, April 2, 2007.

/s/ THOMAS R. GRANDE  
THOMAS R. GRANDE

Counsel for Plaintiff/Relator  
MARIA VALLADARES  
KADZIELAWA